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Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-07 CEA-01 AGRE-00 /084 W
----------116496 050325Z /72
R 032250Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 6381
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

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E.O. 11652: N/A
TAGS: EAGR, ETRD, BR
SUBJ: DROUGHT IN COFFEE AREAS AND IBC RESOLUTIONS 5/78 AND 6/78.

1. SIMULTANEOUS PRESS REPORTS IN RIO AND SAO PAULO INDICATED THAT ORIGINAL PRODUCTION ESTIMATES FOR THE 1978 COFFEE HARVEST IN THE STATES OF SAO PAULO AND PARANA WILL BE REDUCED BY 19 AND 20 PERCENT RESPECTIVELY. THESE REDUCTIONS WERE PREPARED BY THE RESPECTIVE STATE DEPARTMENTS OF AGRICULTURE AS A RESULT OF A REPORTED PERSISTENT DRY SPELL DURING THE FIRST SEVEN WEEKS OF 1978 IN BOTH STATES. THE ORIGINAL 1978 PRODUCTION ESTIMATES FOR SAO PAULO AND PARANA OF 5.5 AND 8.2 MILLION BAGS HAVE BEEN REVISED TO 4.4 AND 6.6 MILLION BAGS. THEREFORE BRAZIL'S 1978 COFFEE HARVEST ESTIMATED BY THE BRAZILIAN COFFEE INSTITUTE (IBC) AT 20.7 MILLION BAGS WILL BE REDUCED BY 2.7 MILLION BAGS I.E., TO 18 MILLION BAGS. MOST COFFEE GROWERS' REPRESENTATIVES ESTIMATE 1978 COFFEE CROP LOSS IN SAO PAULO AND PARANA CAUSED BY DROUGHT AT ABOUT 40 PERCENT. FYI: DURING MARCH 1 MEETING BETWEEN CONGEN RIO E/C OFFICERS AND DELAURO BAUMGRATZ, EXPORT DIRECTOR OF THE BRAZILIAN COFFEE INSTITUTE, THIS SUBJECT WAS
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RAISED. BAUMGRATZ SAID IBC HAD RECEIVED VARIOUS REPORTS ON COFFEE CROP DAMAGE. THE ESTIMATES OF LOSSES RANGED FROM 12 PERCENT TO 40 PERCENT. BAUMGRATZ EMPHASIZED THE PRELIMINARY NATURE OF THESE REPORTS AND SAID THAT IBC WAS UNDERTAKING ITS OWN SURVEY TO DETERMINE THE EXACT EXTENT OF DAMAGE. END FAS FIELD OBSERVATIONS ARE SCHEDULED FOR EARLY APRIL. INDEPENDENT EVALUATION OF DROUGHT EFFECT ON 1978 COFFEE

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HARVEST WILL THUS BE AVAILABLE LATE APRIL. END FYI.

2. IBC PUBLISHED RESOLUTIONS 5/78 AND 6/78 ON MARCH 1, MAINTAINING MINIMUM REGISTRATION PRICES FOR GREEN AND SOLUBLE COFFEES BETWEEN MARCH 1 AND MAY 31, 1978 UNCHANGED AT US DOLS 2.00 PER POUND GREEN COFFEE AND US DOLS 4.00 PER POUND FOR SPRAY-DRIED SOLUBLE AND US$5.00 PER POUND FOR FREEZE-DRIED SOLUBLE. THE CONTRIBUTION QUOTA ALSO REMAINS UNCHANGED AT US$120 PER 6/KG BAG OF GREEN COFFEE AND US$0.60 PER POUND FOR BOTH TYPES OF SOLUBLE COFFEE. NO REFERENCE WAS MADE TO THE UNOFFICIAL DISCOUNT GRANTED ON COFFEE CONTRACTED DURING THE PERIOD OF FEBRUARY 16-28. HOWEVER, COFFEE TRADERS TELL US THAT DISCOUNTS WILL CONTINUE TO BE AVAILABLE TO ALL IMPORTERS WITH MORE GENEROUS TREATMENT FOR TRADITIONAL BUYERS OF BRAZILIAN COFFEE. ONE LARGE EXPORTER TOLD US ON MARCH 2 THAT HE HAD SOLD 5,000 BAGS TO GENERAL FOODS FOR $1.97 PER POUND, WHICH WILL RECEIVE $0.33/LB "DISCOUNT" (ACTUALLY A REBATE TO BUYER) PAID BY IBC. FYI: IBC'S BAUMGRATZ PREDICTABLY DENIES THAT ANY DISCOUNTS WILL BE GIVEN. END FYI.

3. FOREGOING MESSAGE PREPARED BY CONGEN RIO.
JOHNSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, CROP DESTRUCTION, DROUGHTS, PRODUCTION DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 03 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRASIL01673
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780099-1182
Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197803112/aaaadqoq.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d8bebab9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3133649
Secure: OPEN
Status: NATIVE
Subject: DROUGHT IN COFFEE AREAS AND IBC RESOLUTIONS 5/78 AND 6/78.
TAGS: EAGR, ETRD, BR
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/d8bebab9-c288-dd11-92da-001cc4696bcc
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